

March 21, 2005

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TWB-204
Washington, D.C. 20554

Dear Ms. Dortch:

RE: Ex Parte: In re: Application of GTE Corp., Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184

The enclosed materials are being filed pursuant to Verizon Communications, Inc.'s ("Verizon") obligations under Appendix D, Section XXII, Paragraph 56(e) of the above referenced docket to obtain independent examinations of its compliance with the merger conditions and its controls over compliance with the merger conditions. The accompanying material includes:

- Independent Accountants' Report on the Effectiveness of Internal Control Over Compliance with the Specified Merger Conditions, as defined
- Report of Management on the Effectiveness of Controls over Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV
- Independent Accountants' Report on Compliance with Specified Merger Conditions, as defined
- Report of Management on Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

Please place a copy of the attached independent accountants' reports in the Ex Parte file of the above referenced proceeding.

Very truly yours,



Enclosures

cc: Mr. H. Boyle
Ms. H. DeNigro
Mr. P. Young
Mr. J. Ward (Verizon Communications, Inc.)

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Verizon Communications Inc.

We have examined Verizon Communications Inc.'s (the "Company" or "Verizon") compliance, during the period from January 1, 2004 through the earlier of the respective date of termination referenced below or December 31, 2004, with the following conditions set forth in Appendix D of the Federal Communications Commission's (the "FCC") Memorandum Opinion and Order in Common Carrier Docket No. 98-184¹ approving the Bell Atlantic/GTE Merger or in the Order and Consent Decree released on August 20, 2002 by the FCC Enforcement Bureau in File No. EB-01-IH-0519 (the "Consent Decree"):

Condition XVIII, *Enhanced Lifeline Plans*, which terminated on August 26, 2004;

Condition IV, *Non-discriminatory Rollout of xDSL Services*, Condition VI, *Uniform and Enhanced OSS and Advanced Services OSS*, Condition XI, *Carrier-to-Carrier Promotions: Unbundled Loop Discount*, Condition XII, *Carrier-to-Carrier Promotions: Resale Discount*, Condition XVII, *InterLATA Services Pricing*, Condition XXI, *Compliance Program*, Condition XXII, *Independent Auditor*, Condition XXIII, *Enforcement*, Condition XXIV, *Sunset*, and Condition XXV, *Effect of Conditions*, including the requirements of Conditions XXI and XXII to the extent that it relates to the accuracy of the Company's annual compliance report for the year ended December 31, 2004;

Providing the FCC with timely and accurate notices pursuant to specific notification requirements relating to such conditions (the conditions described in this and the preceding two paragraphs above are collectively referred to as the "Specified Merger Conditions"); and

Data retention requirements set forth in the Consent Decree (the "Data Retention Requirements").

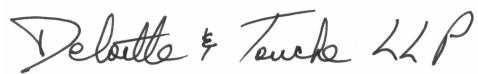
We also examined management's assertion included in the accompanying Report of Management on Compliance with the Specified Merger Conditions and Data Retention Requirements. Management is responsible for the Company's compliance with the Merger Conditions and the Consent Decree, and its assertion thereon. Our responsibility is to express an opinion on the Company's compliance with the Specified Merger Conditions and the Data Retention Requirements based on our examination.

¹ *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000).

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the Specified Merger Conditions and Data Retention Requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, the Company complied, in all material respects, with the Specified Merger Conditions and Data Retention Requirements during the period from January 1, 2004 through the earlier of the respective date of termination referenced above or December 31, 2004, including the requirements to file an accurate annual compliance report for the year ended December 31, 2004 and to provide the FCC with timely and accurate notices pursuant to specific notification requirements relating to the Specified Merger Conditions and Data Retention Requirements for such period.

This report is intended solely for the information and use of the management of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

March 15, 2005

Jeffrey Wm Ward
Senior Vice President
Regulatory Compliance



1515 North Courthouse Road
Arlington, VA 22201
Suite 500
Phone 703.351.3160
Fax 703.351.3673
Jeffrey.W.Ward@verizon.com

**Report of Management on Compliance with Merger Conditions IV, VI, XI, XII,
XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV**

March 15, 2005

Management of Verizon Communications Inc. ("Verizon" or the "Company"¹) is responsible for ensuring that Verizon complies with the conditions set forth in Appendix D ("the Merger Conditions") of the Federal Communications Commission's ("FCC's") Memorandum Opinion and Order in CC Docket No. 98-184 approving the Bell Atlantic/GTE Merger.² Management's assertions that follow relate to compliance with Condition IV (Non-Discriminatory Rollout of xDSL Services), Condition VI (Uniform and Enhanced OSS and Advanced Services OSS), Condition XI (Carrier-to-Carrier Promotions: Unbundled Loop Discount), Condition XII (Carrier-to-Carrier Promotions: Resale Discount), Condition XVII (InterLATA Services Pricing), Condition XVIII (Enhanced Lifeline Plans), Condition XXI (Compliance Program), Condition XXII (Independent Auditor), Condition XXIII (Enforcement), Condition XXIV (Sunset), and Condition XXV, (Effect of the Conditions) as set forth in Appendix D (the "Covered Merger

¹ The word "Company" or "Companies" used throughout this assertion refers to the Verizon telephone companies operating as incumbent local exchange carriers ("ILECs"), collectively as follows: Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Incorporated d/b/a Verizon Southwest, The Micronesian Telecommunications Corporation, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North Inc., Verizon Northwest Inc., Verizon Pennsylvania Inc., Verizon South Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., Verizon West Coast Inc., Verizon West Virginia Inc., provided that, with regard to the Micronesian Telecommunications Corporation, these assertions only apply to Merger Conditions IV, XVII, XXI, XXII, XXIII, XXIV, and XXV (see Merger Conditions, n.3).

² Application of GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000).

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Conditions")³. In addition, Management's assertions relate to compliance with the August 16, 2002 consent decree entered into between Verizon and the FCC Enforcement Bureau.

Management has performed an evaluation of Verizon's compliance with the requirements of the Covered Merger Conditions for the year ended December 31, 2004 (the "Evaluation Period"). Based on this evaluation, we assert that, during the Evaluation Period, Verizon has complied with all requirements of the Covered Merger Conditions in all material respects as described below. In addition, Verizon provides the following information regarding compliance with the Merger Conditions.

Promoting Equitable and Efficient Advanced Services Deployment

I. Separate Affiliate for Advanced Services

As provided in paragraph 57 of the Merger Conditions, compliance with this condition is addressed in a separate agreed-upon procedure engagement performed by Mitchell & Titus, LLP.

IV. Non-discriminatory Rollout of xDSL Services

The Company complied with the requirements of this condition as described herein. In particular:

- a. In each state where xDSL had been deployed in at least 20 urban wire centers by June 30, 2003, at least 10% of the urban wire centers Verizon deployed were from the Low Income Urban Pool, and in each state where xDSL had been deployed by June 30, 2003 in at least 20 rural wire centers, at least 10% of the rural wire centers Verizon deployed were from the Low Income Rural Pool.
- b. Verizon filed the 2004 quarterly status reports demonstrating compliance with this condition on April 29, 2004, July 31, 2004, October 28, 2004, and January 28, 2005.
- c. This condition sunset on December 31, 2003 in states which had met the 20 urban or rural wire center threshold prior to the first status report being filed on January 31, 2001. The condition sunset on June 30, 2003 for those states in which Verizon did not meet the 20 urban or rural wire center threshold by June 30, 2003. In states where the 20 urban or rural wire center threshold was met between January 1, 2001 and June 30, 2003, the condition sunsets 36 months from the date that the threshold was met.

³ This report does not address immaterial matters, including those immaterial matters in Verizon's Annual Compliance Report filed with the FCC on March 15, 2005.

Report of Management on Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

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Ensuring Open Local Markets

V. Carrier-to-Carrier Performance Plan (Including Performance Measurements)

On August 16, 2002, Verizon and the FCC Enforcement Bureau entered into a consent decree terminating an informal investigation into Verizon's compliance with the Merger Conditions. Verizon established a process for refresher training of data providers, and communication of data retention requirements. Verizon continued to be in compliance with the data retention requirements.

VI. Uniform and Enhanced Operational Support Systems and Advanced Services Operational Support Systems

The Company complied with the requirements of this condition as described herein. In particular:

- a. The Company continued to provide in each Bell Atlantic and GTE state the Bell Atlantic change management process originally developed as part of the New York Proceeding and approved by the appropriate state commissions through the sunset date of July 2, 2004. The Company offered to include a commitment to follow the uniform change management process in its interconnection agreements with CLECs through the sunset date of July 2, 2004.
- b. Uniform transport and security protocols continued to be offered across the merged Bell Atlantic and GTE service areas, through the sunset date of September 28, 2004.
- c. By June 30, 2004, the Company implemented uniform electronic OSS interfaces and business rules between the former Bell Atlantic and the former GTE service areas in Pennsylvania and Virginia for at least 80% of the obligated access lines in Pennsylvania and Virginia.
- d. By October 26, 2004, the Company implemented uniform electronic OSS interfaces and business rules between the former Bell Atlantic and the former GTE service areas in Pennsylvania and Virginia for 100% of the obligated access lines in Pennsylvania and Virginia.
- e. The changes made to the OSS interfaces and business rules specified in the Plan of Record (POR) as a result of the collaborative process in the Bell Atlantic Service Areas and the GTE Service Areas or as modified pursuant to Verizon's change management process continued to be available.
- f. The OSS functions and product ordering capabilities specified in the POR or as modified pursuant to Verizon's change management process continued to be offered in the Bell Atlantic and GTE service areas. As described in paragraph 64 of the Merger Conditions, the changes made

Report of Management on Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

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per the POR sunset 36 months after implementation. Accordingly, the following portions of the POR have sunset:

- i. In the former Bell Atlantic service areas, the billing, system availability and other interfaces identified through the Plan of Record collaboratives required by the Merger Order, which were not available at merger close, sunset in 2004. Specifically, Uniform Line Information Database interface sunset on August 19, 2004, Uniform Exchange Message Interface for Daily Usage Files sunset on April 21, 2004, Uniform E911 interface process for switched based CLECs sunset on March 31, 2004 for Virginia, West Virginia and the District of Columbia and on September 22, 2004 for Maryland. In addition, uniform system availability hours for service order inquiry and local service request sunset on March 17, 2004; installation status inquiry, maintenance & repair and ISDN loop qualification sunset on April 21, 2004; product & service availability, due date availability, customer service record unparsed and customer service record parsed sunset on December 16, 2004.
- ii. In the former GTE service areas, the maintenance and repair functions outlined in Attachment B-1 of the Merger Order, which were not in place at merger close, sunset in 2004. Specifically, Premise Access Hours for Maintenance and Repair sunset on August 12, 2004.

XI. Carrier-to-Carrier Promotions: Unbundled Loop Discount

The Company complied with the requirements of this condition by providing the required unbundled loop discounts to all carriers unless the carrier proactively chose not to accept the discount, in accordance with the Merger Conditions.

In limited circumstances, Verizon provided an incorrect discount amount or provided the discount outside the 60-day requirement. In some instances, the charges eligible for the discount were billed incorrectly. Verizon is taking appropriate corrective action.

XII. Carrier-to-Carrier Promotions: Resale Discount

The Company complied with the requirements of this condition by providing the required resale discount to all carriers unless the carrier proactively chose not to accept the discount, in accordance with the Merger Conditions.

In limited circumstances, Verizon provided an incorrect discount amount or provided the discount outside the 60-day requirement. In some instances, the charges eligible for the discount were billed incorrectly. Verizon is taking appropriate corrective action.

Report of Management on Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

March 15, 2005

Improving Residential Phone Service

XVII. InterLATA Services Pricing

Verizon complied with the requirements of this condition as described herein. In particular, each Verizon subsidiary providing interLATA long distance service to wireline residential customers within the United States during 2004 continued to have in effect an interLATA long distance offering that did not include mandatory, minimum monthly, or flat rate charges for interLATA service for the reporting period or until the sunset of the requirement.

This condition sunset on June 30, 2003, 36 months after the merger close date for each Verizon subsidiary providing interLATA long distance service to wireline residential customers in Puerto Rico, Micronesia, and within the United States in former GTE states, except for the properties in Pennsylvania and Virginia.

This condition sunset for New York on January 3, 2003, for Massachusetts on April 26, 2004, for Connecticut on July 30, 2004, and for Pennsylvania on September 28, 2004, 36 months after 271 authorization in these states.

In the remaining former Bell Atlantic states (including Virginia), Verizon complied with the requirements of this condition by each Verizon subsidiary providing interLATA long distance service to wireline residential customers within the United States during 2004 continuing to have in effect an interLATA long distance offering that did not include mandatory, minimum monthly, or flat rate charges for interLATA service.

XVIII. Enhanced Lifeline Plans

The Company complied with the requirements of this condition by maintaining Enhanced Lifeline Plan in Illinois that was comparable to the Ohio Universal Service Assistance Lifeline Plan in the areas of subscriber eligibility, discounts and eligible services.

This condition sunset August 26, 2004, 36 months following the effective date of the Illinois initial tariff.

XIX. Additional Service Quality Reporting

On August 16, 2002, Verizon and the FCC Enforcement Bureau entered into a consent decree terminating an informal investigation into Verizon's compliance with the Merger Conditions. Verizon established a process for refresher training of data providers, and communication of data retention requirements. Verizon continued to be in compliance with the data retention requirements.

Report of Management on Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

March 15, 2005

Ensuring Compliance with and Enforcement of These Conditions

XXI. Compliance Program

Verizon complied with the requirements of this condition as described herein. In particular, Verizon provided accurate and timely reports to the FCC, as required by the condition, including its Annual Merger Compliance Report that was filed on March 11, 2004, which disclosed issues known at that time.

A senior corporate officer appointed as Senior Vice President – Regulatory Compliance oversaw implementation of, and compliance with, the Merger Conditions. The Senior Vice President – Regulatory Compliance presented merger compliance status to the audit committee of the Verizon board of directors on June 3, 2004. Verizon consulted with the FCC staff on an ongoing basis regarding Verizon's compliance. Verizon provided accurate and timely notices to the FCC and state public utilities commissions pursuant to specific notification requirements of the Merger Conditions. These notices were provided to Deloitte & Touche LLP and Ernst & Young LLP in a timely manner.

XXII. Independent Auditor

Verizon complied with the requirements of this condition as described herein. In particular, Verizon engaged independent auditors deemed acceptable to the FCC for the 2004 Merger audits as follows:

- a. Advanced Services agreed-upon procedures engagement – Mitchell & Titus, LLP.
- b. General Merger Conditions, V, XVI, and XIX – Ernst & Young LLP.
- c. All remaining General Merger Conditions – Deloitte & Touche LLP.

The auditors selected have not been instrumental during the past 24 months in designing all or substantially all of the systems and processes under examination in the attestation engagement.

The 2003 and 2004 Advanced Services agreed-upon procedures reports were filed on April 15, 2004 and October 1, 2004, respectively. The 2003 General Merger Conditions audit report for Conditions II, III, VIII, IX, XIII, XIV, XV, and XX, was filed with the FCC on October 22, 2003. The 2003 General Merger Conditions audit for Conditions IV, VI, VII, X, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, and XXV was issued on March 17, 2004. The 2003 General Merger Conditions audit report for Conditions V, XVI, and XIX was filed on April 23, 2004, and the 2004 General Merger Conditions audit report for Condition V was

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filed on October 22, 2004. Work papers were made available at a Washington, D.C. location.

On April 15, 2004, Verizon, the FCC Audit Staff and Deloitte & Touche LLP met to confer regarding changes to the detailed audit program. On May 20, 2004, Verizon, the FCC Audit Staff, and Ernst & Young LLP met to confer regarding changes to the detailed audit program. The Company kept the FCC informed of matters required under the Merger Conditions. Verizon granted the independent auditors access to all books, records, operations, and personnel relevant to the conditions addressed in this report.

XXIII. Enforcement

There has been no determination by the Chief of the Enforcement Bureau that Verizon failed to comply with the Merger Conditions during the effective period of any condition. In accordance with Attachments A, A-3, A-4, A-5a, A-5b, A-6, A-7a, and A-7b of the Merger Conditions, Verizon made voluntary payments to the U.S. Treasury on March 25, 2004, April 26, 2004, May 25, 2004, June 25, 2004, July 26, 2004, related to 2004 performance measurement requirements. Notices were provided to the FCC within five business days after such payments were made.

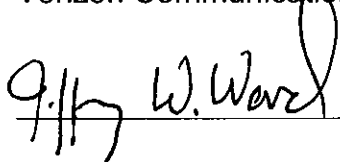
XXIV. Sunset

Merger Conditions I, V and XVIII sunset during 2004.

XXV. Effect of Conditions

Verizon followed the guidance of this condition in interpreting and applying the Merger Conditions and the relationship to state law.

Verizon Communications Inc.

A handwritten signature in dark ink, appearing to read "Jeffrey W. Ward", is written over a horizontal line.

Jeffrey W. Ward

Senior Vice President - Regulatory Compliance
March 15, 2005

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Verizon Communications Inc.

We have examined the effectiveness of Verizon Communications Inc.'s (the "Company" or "Verizon") internal control over compliance with the following conditions set forth in Appendix D of the Federal Communications Commission's (the "FCC") Memorandum Opinion and Order in Common Carrier Docket No. 98-184¹ approving the Bell Atlantic/GTE Merger (the "Merger Order") or in the Order and Consent Decree released on August 20, 2002 by the FCC Enforcement Bureau in File No. EB-01-IH-0519 (the "Consent Decree"):

Condition XVIII, *Enhanced Lifeline Plans*, which terminated on August 26, 2004;

Condition IV, *Non-discriminatory Rollout of xDSL Services*, Condition VI, *Uniform and Enhanced OSS and Advanced Services OSS*, Condition XI, *Carrier-to-Carrier Promotions: Unbundled Loop Discount*, Condition XII, *Carrier-to-Carrier Promotions: Resale Discount*, Condition XVII, *InterLATA Services Pricing*, Condition XXI, *Compliance Program*, Condition XXII, *Independent Auditor*, Condition XXIII, *Enforcement*, Condition XXIV, *Sunset*, and Condition XXV, *Effect of Conditions*, (the conditions described in this and the preceding paragraph above are collectively referred to as the "Specified Merger Conditions"), and

Data retention requirements set forth in the Consent Decree (the "Data Retention Requirements")

for the period from January 1, 2004 through the earlier of the respective date of termination referenced above or December 31, 2004, based on the criteria for effective internal control over compliance established in the Merger Order and the Consent Decree. We also examined management's assertion included in the accompanying Report of Management on the Effectiveness of Controls Over Compliance with Specified Merger Conditions and Data Retention Requirements. Verizon management is responsible for maintaining effective internal control over compliance with the Merger Conditions and the Consent Decree, and its assertion thereon. Our responsibility is to express an opinion on the effectiveness of internal control over compliance with the Specified Merger Conditions and the Data Retention Requirements based on our examination.

¹ *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000).

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control over compliance with the Specified Merger Conditions and Data Retention Requirements, testing, and evaluating the design and operating effectiveness of the internal control and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control, noncompliance due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over compliance with the Specified Merger Conditions and Data Retention Requirements to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained effective internal control over compliance with the Specified Merger Conditions and Data Retention Requirements during the period from January 1, 2004 through the earlier of the respective termination date for each condition or requirement referenced above or December 31, 2004 based on the criteria established in the Merger Order and Consent Decree.

This report is intended solely for the information and use of the management of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in dark ink and is positioned above the date.

March 15, 2005

Jeffrey Wm Ward
Senior Vice President
Regulatory Compliance



1515 North Courthouse Road
Arlington, VA 22201
Suite 500
Phone 703.351.3160
Fax 703.351.3673
Jeffrey.W.Ward@verizon.com

Report of Management on the Effectiveness of Controls over Compliance with Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV

March 15, 2005

Management of Verizon Communications Inc. ("Verizon" or the "Company"¹) is responsible for ensuring that Verizon complies with the conditions set forth in Appendix D ("the Merger Conditions") of the Federal Communications Commission's ("FCC's") Memorandum Opinion and Order in CC Docket No. 98-184 approving the Bell Atlantic/GTE Merger.² Management's assertions that follow relate to compliance with Condition IV (Non-Discriminatory Rollout of xDSL Services), Condition VI (Uniform and Enhanced OSS and Advanced Services OSS), Condition XI (Carrier-to-Carrier Promotions: Unbundled Loop Discount), Condition XII (Carrier-to-Carrier Promotions: Resale Discount), Condition XVII (InterLATA Services Pricing), Condition XVIII (Enhanced Lifeline Plans)³, Condition XXI (Compliance Program), Condition XXII (Independent Auditor),

¹ The word "Company" or "Companies" used throughout this assertion refers to the Verizon telephone companies operating as incumbent local exchange carriers ("ILECs"), collectively as follows: Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Incorporated d/b/a Verizon Southwest, The Micronesian Telecommunications Corporation, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North Inc., Verizon Northwest Inc., Verizon Pennsylvania Inc., Verizon South Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., Verizon West Coast Inc., Verizon West Virginia Inc., provided that, with regard to the Micronesian Telecommunications Corporation, these assertions only apply to Merger Conditions IV, XVII, XXI, XXII, XXIII, XXIV, and XXV (see Merger Conditions, n.3).

² *Application of GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000).

³ Condition XVIII (Enhanced Lifeline Plans) sunset on August 26, 2004.

**Report of Management on the Effectiveness of Controls over Compliance with
Merger Conditions IV, VI, XI, XII, XVII, XVIII, XXI, XXII, XXIII, XXIV, XXV**
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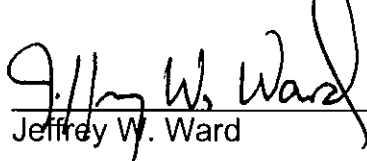
(Effect of the Conditions) as set forth in Appendix D (the "Covered Merger Conditions")⁴. In addition, Management's assertions relate to compliance with the August 16, 2002 consent decree entered into between Verizon and the FCC Enforcement Bureau.

The Company's internal controls have been designed to comply with the Merger Conditions. There are inherent limitations in any control, including the possibility of human error and the circumvention or overriding of the internal controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to the achievement of the objectives of internal controls. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

The Company has determined that the objective of the internal controls with respect to compliance with the Covered Merger Conditions is to provide reasonable, but not absolute, assurance that compliance has been achieved.

The Company has assessed its internal controls over compliance with the Covered Merger Conditions. Based on this assessment, the Company asserts that for the year ended December 31, 2004, its internal controls over compliance with the Covered Merger Conditions were effective in providing reasonable assurance that the Company has complied with the Covered Merger Conditions.

Verizon Communications Inc.



Jeffrey W. Ward

Senior Vice President - Regulatory Compliance
March 15, 2005

⁴ This report does not address immaterial matters, including those immaterial matters in Verizon's Annual Compliance Report filed with the FCC on March 15, 2005.